

**COMBINED NOTICE
NOTICE TO PUBLIC OF NO SIGNIFICANT IMPACT ON THE
ENVIRONMENT
AND NOTICE TO PUBLIC OF REQUEST FOR RELEASE OF FUNDS
CITY OF BIRMINGHAM, ALABAMA**

TO ALL INTERESTED AGENCIES, GROUPS, AND PERSONS:

On or about **August 11, 2015**, the City of Birmingham, Alabama (the City) will submit a request to the U.S. Department of Housing and Urban Development (HUD) to release Federal funds under Title I of the Housing and Community Development Act of 1974 (P.L. 93-383) for the following project:

Project Description:

EFFECTIVE DATES: Program Years (PY) 2015-2020 (July 1, 2015-June 30, 2020)

PURPOSE:

To assure that all Single Family affordable housing program activities undertaken by the City of Birmingham's Community Development Department under the Community Development Block Grant Program (CDBG), Home Investment Partnership Program (HOME), Community Development Block Grant Disaster Recovery (CDBG-DR B-12 and B-13), and Neighborhood Stabilization Program (NSP and NSP3) undertaken at sites unspecified prior to the release of funds for these programs are in compliance with environmental laws and authorities as identified in 24 CFR 58.35, the City has developed an Environmental Monitoring Strategy for Unspecified Sites. A copy of the Monitoring Strategy is available for inspection in the City's Community Development Department; 710 North 20th Street; 10th floor City Hall, Birmingham, Alabama and is available on the City Website-Community Development Department webpage at www.birminghamal.gov.

A description of these programs are included herein, however, they will include the following City Wide activities: Single Family homeowner and renter rehabilitation; unit rehabilitation; single family homeownership assistance (new homebuyer downpayment assistance program) for existing structures; land acquisition, demolition, site improvements, and infrastructure for single family homeownership; and all activities relating to the administration of the City's CDBG, HOME, CDBG-DR, and NSP programs.

AREA COVERED: City Wide-Corporate City limits of Birmingham, Alabama, as amended.

APPLICABLE ACTIVITIES:

Only activities specified at 24 CFR 58.35 as Categorical Exclusions are included in this monitoring strategy. Categorical exclusion refers to a category of activities for which no environmental impact statement or environmental assessment and finding of no significant impact under NEPA is required, except in extraordinary circumstances (see 24 CFR 58.2(a)(3)) in which a normally excluded activity may have a significant impact. Compliance with the other applicable Federal environmental laws and authorities listed in Sec. 58.5 is required for any categorical exclusion listed at 24 CFR 58.35(a).

The rehabilitation of buildings and improvements are designated as categorically excluded at 24 CFR 58.35(a)(3)(i) when the following conditions are met:

- i. In the case of a building for residential use (with one to four units), the density is not increased beyond four units, the land use is not changed, and the footprint of the building is not increased in a floodplain or in a wetland;
- ii. In the case of multifamily residential buildings;
 - A. Unit density is not changed more than 20 percent;
 - B. The project does not involve changes in land use from residential to non-residential; and,
 - C. The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.

The following are also designed as categorically excluded at 24 CFR 58.35(a)(4):

- i. An individual action on up to four dwelling units where there is a maximum of four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between; or
- ii. An individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site.
- iii. Paragraphs (a)(4)(i) and (ii) of this section do not apply to rehabilitation of a building for residential use (with one to four units) (see paragraph (a)(3)(i) of this section).

PROJECT DESCRIPTIONS:

The following is a summary of the activities included in this strategy that are undertaken by the City of Birmingham under the CDBG, HOME, CDBG-DR, and NSP programs to provide Housing Rehabilitation to low-and moderate income persons. Any adjustments to these programs undertaken during Program Years 2015-2020 will be re-evaluated annually.

Project Name and Identification Number:

Project Description:

Community Development Block Grant (CDBG); Community Development Block Grant-Disaster Recovery (CDBG-DR B-12 and B-13); Home Investment Partnership (HOME);

Neighborhood Stabilization Program (NSP and NSP3)-HUD; Neighborhood Stabilization Program (NSP)-ADECA. These reflect the City of Birmingham's Proposed Affordable housing programs to be undertaken under anticipated Entitlement Funding to be received during the period July 1, 2015 thru June 30, 2020 under the CDBG and HOME programs and through ongoing Stimulus and Special Allocation Program activities previously funded and reviewed as a part of the City's Environmental Record created at the time of award for each of these programs. These ongoing stimulus and special allocation programs presently include CDBG-DR B-12, CDBG-DR B-13, NPS-HUD, NSP3-HUD, & NSP-ADECA for unspecified sites that may receive assistance and receive further site specific review during the timeframe 7/1/2015-6/30/2020. The following detailed information is provided for reference purposes:

Funding Levels:

Entitlement Programs (CDBG & HOME) funding levels vary from year to year depending upon Congressional Authorization. Presently, only the PY 2015 Allocations are known for these programs. Stimulus and Special Allocation Program Funding (NSP-HUD, NSP3-HUD, NSP-ADECA, CDBG-DR B-12, and CDBG-DR B-13) are anticipated to be one time only grant awards.

Entitlement Program Grant Numbers & PY 2010 Allocations:

CDBG: B-15-MC-01-0002 Thru B-19-MC-01-0002

HOME: M-15-MC-01-0002 Thru M-19-MC-01-0002

Entitlement Programs for PY 2015 (July 1, 2015-June 30, 2020):

1. Community Development Block Grant Program:

PY 2015 Grant	\$5,375,865.00
PY 2015 Anticipated Program Income:	1,000,000.00
Returned Grant Funds:	0.00
Prior Year Funds:	<u>0.00</u>
	\$2,576,151.00

2. PY 2015 HOME Grant:

	\$1,009,149.00
PY 2015 Anticipated HOME Program Income	<u>100,000.00</u>
	\$1,109,149.00

Stimulus and Special Allocation Program Grant Numbers and Allocations:

CDBG-DR B-12: B-12-MT-01-0001: \$6,386,326.00

CDBG-DR B-13: B-13-MS-01-0001: \$17,497,000.00

NSP-HUD: B-08-MN-01-0001: \$2,580,214.00

NSP-ADECA: NSP-GV-08-002: \$2,000,000.00

NSP3-HUD: B-11-MN-01-0001: \$2,576,151.00

Summary of Planned Activities:

The following is a summary of the activities included in the City's planned Single Family Residential Rehabilitation and New Construction activities to be undertaken by the City under the CDBG, HOME, CDBG-DR, NSP-HUD, and NSP-ADECA Programs to

provide affordable housing through rehabilitation and new construction activities to low- and moderate income persons. Any adjustments to these programs undertaken during Program Years 2015-2019 (July 1, 2015-June 30, 2020) will be re-evaluated annually.

Project Summary/Purpose of the Project:

UNSPECIFIED SITE REVIEW STRATEGY FOR HOUSING ACTIVITIES:

Funding levels for these activities vary from year to year depending on the amount of CDBG and HOME funds awarded to the City of Birmingham by the U.S. Department of Housing and Urban Development. Further, the Stimulus and Special Allocation Programs referenced herein are likely one time allocation awards a portion of which will be undertaken during program years 2015-2019. Generally, these programs provide for the acquisition and rehabilitation of owner-occupied, acquisition and rehabilitation of rental substandard structures and new construction of structures on a City wide basis, non-profit organization housing service provider agreements, and associated program operation costs. Also includes loan processing and servicing costs, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section. The locations of each individual property to be acquired, rehabilitated, or newly constructed are not presently known, but will be individually reviewed for Environmental Compliance in accordance with the City's Unspecified Site Review Strategy for Residential Rehabilitation Activities.

Detailed descriptions of these and other housing related programs are available in the Community Development Department-Housing Division, 710 North 20th Street, Room 700; Birmingham, Al 35203. This activity is anticipated to generate program income and is to be administered by the City's Community Development Department-Housing Division on a city wide basis. Proposed programs, activities, and anticipated funding levels follow:

Proposed Housing Rehabilitation Activities & Descriptions

PROJECT: HOUSING REHABILITATION: \$5,172,383 (570.202)

Project ID/Local ID 6; Project Title: Housing Rehabilitation Activities; Priority Need 1- Provide decent and affordable housing for low and very low-income households; Priority Need 2- Provide down-payment assistance to first-time homebuyers meeting program income guidelines and requirements; Priority Need 3- Provide housing services for populations with special needs; Priority Need 4- Provide housing and supportive services for homeless populations; Eligibility (570.202)-Eligible Rehabilitation and preservation activities; National Objective 570.208 (a)-Activities Benefiting low-and moderate-income persons; Help the Homeless? No; Help people with HIV or AIDS? No; Subrecipient: N/A; Location: City Wide; HUD Matrix Code: 14A-Rehabilitation Single

Unit Rehabilitation and 14B-Rehabilitation Multi-Unit Residential: Proposed Accomplishments: See individual activities; Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability; Description:

Provides for the rehabilitation of owner-occupied and rental substandard structures on a City wide basis, non-profit organization housing service provider agreements, and associated program operation costs. Also includes loan processing and servicing costs, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section. Detailed descriptions of these and other housing related programs are available in the Community Development Department-Housing Division, 710 North 20th Street, Room 700; Birmingham, Al 35203. This activity is anticipated to generate program income and is to be administered by the City's Community Development Department-Housing Division on a city wide basis.

CDBG funds for the Activities described as follows:

Although Entitlement Amounts vary year to year, from 7/1/15 thru 6/30/20 the City anticipates the following approximate annual allocation.

Administration: \$1,222,901.00

These funds provide CDBG support for planning and administration of the City's Consolidated Formula Allocation grants and activities including CDBG, ESG, HOME, HOPWA, CDBG-R, and any other Community Development Activities assisted in whole or in part with CDBG funds. Supportive funds will be allocated towards general program administration, staff and overhead, legal services, planning, environmental reviews, public information, and fair housing.

Program Costs/Delivery: \$950,000.00

Costs associated with rehabilitation services including the preparation of work specifications, loan/application processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in rehabilitation activities authorized under 24 CFR 570.202. Includes staff salaries, legal services, mortgage servicing, and other related costs. Start Date: 7/1/2015; Completion Date: 6/30/2016; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

Rehabilitation Activity Costs: \$2,984,231

- Single Family Rehabilitation Program: \$1,884,231

Provides grants of eligible rehabilitation expenses to low-and moderate income homeowners up to \$15,000 per qualified homeowner. Proposed Accomplishments: 125 Housing Units to be rehabilitated. Start Date: 7/1/2015; Completion Date: 6/30/2016;

Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #1-Availability/Accessibility.

-Independent Living Resources of Greater Birmingham: \$225,000

206 13th Street South
Birmingham, AL 35233

Provides assistance to qualified disabled residential tenants and disabled homeowners to enable modifications to be made to their residence. Proposes to modify homes at an average cost of \$3,000. The maximum allowable grant would be up to \$3,500 per household. The agency's Executive Director may grant an exception to the \$3,500.00 maximum in a limited number of cases where the need exists. Proposed Accomplishments: 47 Housing Units to be assisted. Start Date: 7/1/2015; Completion Date: 6/30/2016; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #1-Availability/Accessibility.

-Rising West Princeton Corporation: \$25,000

1708 1st Avenue, West
Birmingham, AL 35208

Provide for and authorize the Mayor to enter into necessary agreements to provide rehabilitation services & support and provide acquisition and rehabilitation activities in Rising West Princeton. Proposed Accomplishments: 10 Housing Units to be assisted. Start Date: 7/1/2015; Completion Date: 6/30/2016; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

- Metro Changers, Inc.: \$600,000

750 Montclair Road
Birmingham, AL 35213

Provide for and authorize the Mayor to enter into necessary agreements to provide housing rehabilitation services through the Worldchangers Rehabilitation Program. Proposed Accomplishments: 130 Housing Units to be assisted. Start Date: 7/1/2015; Completion Date: 6/30/2016; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

- Christian Service Mission: \$150,000

3600 3rd Avenue South
Birmingham, AL 35222

Provide for and authorize the Mayor to enter into necessary agreements to provide housing inspection and rehabilitation services. Proposed Accomplishments: 30 Housing Units to be assisted. Start Date: 7/1/2015; Completion Date: 6/30/2016; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

- Greater Birmingham Habitat for Humanity: \$100,000
4408 Lloyd Noland Parkway
Fairfield, Alabama 35064

Provide for and authorize the Mayor to enter into necessary agreements to provide housing rehabilitation services. Proposed Accomplishments: 130 Housing Units to be assisted. Start Date: 7/1/2015; Completion Date: 6/30/2016; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

Proposed HOME Program Activities and Description:

Although Entitlement Amounts vary year to year, from 7/1/10 thru 6/30/15 the City anticipates the following approximate annual allocation of HOME funds for the Housing Rehabilitation Activities described as follows:

PROJECT: HOME INVESTMENT PARTNERSHIP PROGRAM (HOME):

Project ID/Local ID 9; Project Title: HOME Investment Partnership Program; Priority Need 1- Provide decent and affordable housing for low and very low-income households; Priority Need 2-Provide down-payment assistance to first-time homebuyers meeting program income guidelines and requirements; Priority Need 3- Provide housing services for populations with special needs; Priority Need 4-Provide housing and supportive services for homeless populations;; Help Prevent Homelessness? Yes; Help the Homeless? No; Help those with HIV or AIDS? No; Eligibility Citation: HOME Program; Objective; Benefit to low and moderate income persons; Subrecipients: No; Location(s): City Wide.; HUD Matrix Code: 21-HOME Program.

The HOME Program is to be administered by the City's Community Development Department-Housing Division.

HOME Program Activities & Description:

1) HOME Program Administration Activities: \$110,914

Provision of HOME Administrative costs for PY 2014. The City may allocate up to 10% of the total HOME allocation. Costs include general management, monitoring, and evaluation, staff and overhead related to carrying out of the project, including relocation services, the provision of information to residents and citizen groups, fair housing activities, and indirect costs, consultation and publication costs associated with the submission of the Consolidated Plan. Start Date: 7/1/2015; Completion Date: 6/30/2016; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

2) HOME Program CHDO Activities: \$166,373

Community Housing Development Organizations (CHDOS) are a specific type of non-profit organization, that provide decent and affordable housing to low-and very low income persons. Fifteen percent (15%) of the City's HOME program funds have been allocated for CHDO activities. Proposed Accomplishments: 15 Housing Units. Start Date: 7/1/2015; Completion Date: 6/30/2016; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

3) HOME Rental Activities: **\$831,862**

Provision of HOME funds for the acquisition/rehabilitation, rehabilitation, and new construction of substandard or aging housing units that are suitable for rehabilitation. Proposed Accomplishments: 15 Housing Units. Start Date: 7/1/2015; Completion Date: 6/30/2016; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

4) Homebuyer Activities:

Provision of HOME funds for the acquisition, new construction, reconstruction, and acquisition/rehabilitation of homes for low and moderate income home buyers. Also provides for downpayment assistance to eligible homeowners. Proposed Accomplishments: 15 Housing Units. Start Date: 7/1/2015; Completion Date: 6/30/2016; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

HOME PROGRAM TOTAL: \$1,109,149.00

PROGRAM & ACTIVITIES: COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY (CDBG-DR) PROGRAM:

INTRODUCTION:

In accordance with notices dated April 16, 2012 and May 29, 2013 issued by the Office of the Assistant Secretary for Community Planning and Development, HUD, grantees that were presidentially declared disaster areas in the notice and eligible to receive funds pursuant to Public Law 112-55 and 113-2 are required to complete a substantial amendment to their Consolidated Plan 2012 and 2013 Action Plans. In the notice the City received a CDBG-DR funding allocation of \$6,386,326.00 and \$17,497,000.00 respectively.

PROPOSED CDBG-DR PROGRAM ACTIVITIES:

B-12 Grant

Administration of Grant: **\$319,316.30**

The City of Birmingham proposes to use the entire 5% allocation available for

administrative costs. Funds will only be used to cover the cost of administering the CDBG-Disaster Recovery Grant. Costs include general management, monitoring and evaluation, staff and overhead to carry out projects.

Rehabilitation of Substandard Housing: \$500,000

The City of Birmingham proposes to use funds to assist residents in the Pratt City area of Birmingham, Alabama who were impacted by the presidentially declared natural disaster. The City will use funds from this program to be the catalyst to stimulate re-building of damaged houses.

Threshold Criteria:

- Funds will be used only for the costs of rehabilitation not covered by other federal, state, or local assistance or insurance claims.
- Only applications received in the Department of Community Development from eligible applicants, as outlined in the department's qualification guidelines, will be considered for assistance.
- Applicant must have an identified need that has not been met through FEMA, SBA, insurance, or private donation.
- Applicant must provide proof that there is an apparent need not being met by other sources.

New Construction within the Affected Area: \$1,367,009.70

The City of Birmingham proposes to use nearly \$1.5 million for the purpose of acquisition and new construction within the Pratt City neighborhood. In order to have a cohesive community and to limit gaps, grant funds will be used to assist with the construction of new replacement housing in the area.

B-13 Grant

Administration of Grant: \$874,850.00

The City of Birmingham will use the funds allocated to this activity exclusively toward administration of the CDBG- Disaster Recovery Grant. Up to five percent (5%) of the grant total is allowed to be used to cover the cost of administering the grant.

Start Date: November 1, 2013, End Date: October 31, 2015. CDBG National Objective

Citation: Eligibility 570.206 Administration; National Objective N/A; Performance

Measure Objectives: N/A; Performance Measure Outcomes: N/A

Threshold Criteria: Funds will only be used to cover the cost of administering the CDBG- Disaster Recovery Grant.

Planning and Management Activities for Grant: \$2,624,250.00

The City of Birmingham is allowed to use up to fifteen percent (15%) of the grant for planning and management costs. Funds will only be used to cover the cost of planning and management for the CDBG-Disaster Recovery Grant. Start Date: September 5, 2014, End Date: October 31, 2015; CDBG National Objective Citation: eligibility

570.205-Planning; National Objective N/A; Performance Measure Objective: N/A;
Performance Measure Outcome: N/A

**PROGRAM & ACTIVITIES: NEIGHBORHOOD STABILIZATON PROGRAM
(NSP-HUD):
INTRODUCTION:**

**PROGRAM & ACTIVITIES: NEIGHBORHOOD STABILIZATON PROGRAM
(NSP-HUD):
INTRODUCTION:**

The U.S. Department of Housing and Urban Development (HUD) has announced a new Neighborhood Stabilization Program (NSP) to provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008 (HERA).

NSP GRANT AMOUNT:

On September 29, 2008 the Office of the Secretary, HUD provided notice of the allocation formula and allocation amounts, the list of grantees, alternative requirements, and the waivers of regulations granted to grantees under Title III of Division B of the Housing and Economic Recovery Act of 2008, for the purpose of assisting in the redevelopment of abandoned and foreclosed homes under the Neighborhood Stabilization Program. **In the notice, the City of Birmingham, Alabama received an NSP Grant Allocation of \$2,580,214.00. Additionally the City anticipates the receipt of \$100,000.00 in Anticipated NSP Program Income Receipts for a total estimated budget of \$2,680,214.00.**

REQUIRED SUBMISSIONS FOR ELIGIBLE NSP GRANTEES:

Each NSP grantee receiving an allocation of NSP funds must submit to HUD the following by December 1, 2008. (1) Substantial amendment to the City's annual HUD action plan; (2) an SF-424; and (3) signed certifications.

NATURE OF PROGRAM:

HUD awards grants to states and local jurisdictions to stabilize communities hardest hit by foreclosures and delinquencies. The regulations for NSP grantees are noted at 73 FR 58330.

NSP grantees develop their own programs and funding priorities. However, NSP grantees must use at least 25 percent of the funds appropriated for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of the area median income. In addition, all activities funded by NSP must benefit low- and moderate-income persons whose income does not exceed 120 percent of area median income. Activities may not qualify under NSP using the “prevent or eliminate slums and blight” or address urgent community development needs” objectives of the Community Development Block Grant program.

ELIGIBLE USES:

The use of grant funds must constitute an eligible use under Title III of Division B of the Housing and Economic Act of 2008 (HERA) for redevelopment of abandoned and foreclosed homes and residential properties and provides under a rule of construction that, unless HERA states otherwise, the grants are to be considered Community Development Block Grant (CDBG) funds. The grant program under Title III is commonly referred to as the Neighborhood Stabilization Program (NSP).

In addition to being an eligible NSP use of funds, each activity funded must also be CDBG-eligible under 42 U.S.C. 5305(a) and meet a CDBG national objective. NSP funds may be used for activities which include, but are not limited to:

- Establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties;
- Purchase and rehabilitate homes and residential properties abandoned or foreclosed;
- Establish land banks for foreclosed homes;
- Demolish blighted structures;
- Redevelop demolished or vacant properties.

THE CITY OF BIRMINGHAM’S PROPOSED USE OF NSP FUNDING:

The City proposes the following eligible uses of its NSP funding allocation as authorized pursuant to the Housing and Economic Recovery Act (HERA) and the Community Development Block Grant (CDBG) program:

Purchase and Rehabilitation Program for Sale, Rent or Redevelopment:

Activity Name:

Purchase and Rehabilitation Program for Sale, Rent or Redevelopment.

Activity Type: (includes NSP eligible use & CDBG eligible activity)

NSP Eligible Use:

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.
- 25CFR 570.201 (a) acquisition, (b) dispositions, (i) Relocation, and (n) Direct homeownership assistance (as modified below):
- 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
.24 CFR 570.201 (a) Acquisition and (b) Disposition.

National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., $< 120\%$ of area median income.

Total Purchase & Rehabilitation Program Budget: \$2,422,193.00

PROGRAM & ACTIVITIES: NEIGHBORHOOD STABILIZATON PROGRAM (NSP-ADECA):

INTRODUCTION:

The U.S. Department of Housing and Urban Development (HUD) has announced a new Neighborhood Stabilization Program (NSP) to provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008 (HERA).

ADECA-NSP GRANT AMOUNT:

On February 13, 2009 the Alabama Department of Economic and Community Affairs (ADECA) provided notice to the City of Birmingham, Alabama (the City) that it's December 3, 3008 pre-application for State of Alabama NSP program funding has been

conditionally approved in the amount of \$2.0 million. ADECA indicated these funds will be available for the acquisition, rehabilitation, and resale of abandoned and foreclosed upon homes.

The City proposes to undertake the following eligible uses as authorized pursuant to the Housing and Economic Recovery Act (HERA) and the Community Development Block Grant (CDBG) program and as outlined in its Pre-Application to ADECA.

Purchase and Rehabilitation Program for Sale, Rent, or Redevelopment:

Activity Name:

Purchase and Rehabilitation Program for Sale, Rent or Redevelopment.

Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use:

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.
- 25CFR 570.201 (a) acquisition, (b) dispositions, (i) Relocation, and (n) Direct homeownership assistance (as modified below):
- 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
.24 CFR 570.201 (a) Acquisition and (b) Disposition.

National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., $< 120\%$ of area median income.

Total NSP Purchase & Rehabilitation Project Budget: \$1,900,000.00

Administration:

Activity Name: Administration.

Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.

National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., $< 120\%$ of area median income.-
Administration of the NSP Program.

Total Administration Budget: \$100,000.00

TOTAL ADECA-NSP PROPOSED BUDGET: \$2,000,000.00

PROGRAM & ACTIVITIES: NEIGHBORHOOD STABILIZATON PROGRAM (NSP3-HUD):

INTRODUCTION:

The U.S. Department of Housing and Urban Development (HUD) announced a third round of Neighborhood Stabilization Program (NSP3) to provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program 3 provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under Title III and Section 2301(b) of the Housing and Economic Recovery Act of 2008 (HERA), as amended, and an additional allocation of funds provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) for additional assistance in accordance with the second undesignated paragraph under the heading 'Community Planning and Development-Community Development Fund' in Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (Recovery Act), as amended.

NSP GRANT AMOUNT:

On October 19, 2010 the Office of the Secretary, HUD provided notice of the allocation formula and allocation amounts, the list of grantees, alternative requirements, and the waivers of regulations granted to grantees under Title III of Division B of the Housing and Economic Recovery Act of 2008 as well as those amended and updated by the American Recovery and Reinvestment Act of 2009 and the Dodd-Frank Acct of 2010, for the purpose of assisting in the redevelopment of abandoned and foreclosed homes under the Neighborhood Stabilization Program. **In the notice, the City of Birmingham, Alabama received an NSP Grant Allocation of \$2,576,151.00. Additionally the City anticipates the receipt of \$100,000.00 in Anticipated NSP Program Income Receipts for a total estimated budget of \$2,676,151.00.**

REQUIRED SUBMISSIONS FOR ELIGIBLE NSP GRANTEES:

Each NSP grantee receiving an allocation of NSP3 funds was required to submit to HUD the following by March 1, 2011. (1) Substantial amendment to the City's annual HUD action plan; (2) an SF-424; and (3) signed certifications.

NATURE OF PROGRAM:

HUD awards grants to states and local jurisdictions to stabilize communities hardest hit by foreclosures and delinquencies. The regulations for NSP3 grantees are noted at 75 FR 64322.

NS3P grantees develop their own programs and funding priorities. However, NSP3 grantees must use at least 25 percent of the funds appropriated for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of the area median income. In addition, all activities funded by NSP must benefit low- and moderate-income persons whose income does not exceed 120 percent of area median income. Activities may not qualify under NSP using the "prevent or eliminate slums and blight" or address urgent community development needs" objectives of the Community Development Block Grant program.

ELIGIBLE USES:

The use of grant funds must constitute an eligible use under Title III of Division B of the Housing and Economic Act of 2008 (HERA) as well as the American Recovery and Reinvestment Act of 2009 and the Dodd-Frank Acct of 2010 for redevelopment of abandoned and foreclosed homes and residential properties and provides under a rule of construction that, unless HERA, ARA, or Dodd-Frank states otherwise, the grants are to be considered Community Development Block Grant (CDBG) funds. The grant program under Title III is commonly referred to as the Neighborhood Stabilization Program (NSP).

In addition to being an eligible NSP3 use of funds, each activity funded must also be CDBG-eligible under 42 U.S.C. 5305(a) and meet a CDBG national objective. NSP3 funds may be used for activities which include, but are not limited to:

- Establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties;
- Purchase and rehabilitate homes and residential properties abandoned or foreclosed;
- Establish land banks for foreclosed homes;
- Demolish blighted structures;
- Redevelop demolished or vacant properties.

THE CITY OF BIRMINGHAM'S PROPOSED USE OF NSP FUNDING:

The City proposes the following eligible uses of its NSP funding allocation as authorized pursuant to the Housing and Economic Recovery Act (HERA) and the Community Development Block Grant (CDBG) program:

Purchase and Rehabilitation Program for Sale, Rent or Redevelopment:

Activity Name:

Purchase and Rehabilitation Program for Sale, Rent or Redevelopment.

Activity Type: (includes NSP eligible use & CDBG eligible activity)

NSP3 Eligible Use:

NSP3 Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.
- 25CFR 570.201 (a) acquisition, (b) dispositions, (i) Relocation, and (n) Direct homeownership assistance (as modified below):
- 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
.24 CFR 570.201 (a) Acquisition and (b) Disposition.

National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., < 120% of area median income.

Total Purchase & Rehabilitation Program Budget: \$2,418,536.00

NSP3 Program Administration:

Activity Name: Administration.

Activity Type: (includes NSP3 eligible use & CDBG eligible activity)

NSP3 Eligible

NSP3 Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.

National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice---i.e., \leq 120% of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., < 120% of area median income.

Total Administration Budget: \$257,615.00

TOTAL NSP3 GRANT BUDGET: \$2,676,151.00

Status of Projects:

The City's Entitlement Programs and Activities referenced herein (CDBG & HOME) are presently under review by the Mayor and City Council and planned activities will begin on or after July 1, 2015 and on July 1 every year thereafter through June 30, 2020. As previously noted, funding levels for the City's Entitlement Programs vary from year to year depending upon Congressional Appropriations.

The Stimulus and Special Allocation Programs and Activities referenced herein are presently underway. Additional Stimulus funding is not anticipated at this time but

should additional funding become available the City will employ this unspecified site strategy as a means for review of these programs.

Project and Area Description:

The project will assist in the provision of affordable housing to eligible City of Birmingham residents on a City Wide Basis. The project area is the corporate city limits of Birmingham, Alabama. Housing activities will include acquisition, rehabilitation, new construction, site improvements, single-family activities, infrastructure improvements, and affordable housing homeownership programs and other eligible activities as authorized under the referenced programs.

Existing Conditions and Trends:

The City of Birmingham's population declined over the last two decades. The decline in population led to increased vacant land and abandoned properties. In order to meet the goals of improving and preserving the existing housing stock as described in the City's 2015-2020 Consolidated Plan, as well as provide increased access to affordable housing, the activities described herein will be undertaken. Activities will be undertaken on a City Wide basis.

Project and Area Maps and Plans:

As noted, housing activities will include acquisition, rehabilitation, new construction, site improvements, single-family, acquisition, infrastructure improvements, and affordable housing homeownership programs. Activities will be undertaken on a City Wide basis.

Summary of Findings and Conclusions:

The proposed Affordable Housing Activities identified herein will benefit the community. The proposed activities will not have an effect on any environmental condition.

Summary of Environmental Conditions:

Proposed activities are in compliance with applicable Federal environmental laws and authorities listed in 58.5. No extraordinary circumstances or conditions at or affecting the location of the proposed activity have been identified.

Project Modifications and Alternatives Considered:

No modifications to the proposed activities are under consideration.

Additional Studies Performed:

City's HUD Approved Consolidated Plan, City's Housing Plan, City's Comprehensive

Plan and Environmental Monitoring Strategy for Unspecified Sites Attached: Site specific environmental assessment worksheets for affordable housing programs which are all on file in the Community Development Department.

Mitigation Measures Needed: No mitigation measures are needed at this time.

Is the project in compliance with applicable laws and regulations? Yes

Is an EIS required? No

A Finding of No Significant Impact (FONSI) can be made? Yes

Project will not significantly affect the quality of the human environment? Yes

FINDING OF NO SIGNIFICANT IMPACT (FONSI)

It has been determined that the Request for Release of Funds will not constitute an action significantly affecting the quality of the human environment. The City has decided not to prepare an Environmental Impact Statement under the National Environmental Policy Act of 1969 (P.L. 91-190) because:

The proposed project did not meet the requirements necessary for the preparation of an Environmental Impact Statement (EIS) according to 24 CFR 58.37. An Environmental Review Record (ERR) for the proposed project has been made by the City that documents the environmental review and explains the reasons why an EIS is not required. The ERR is on file at the City's Community Development Department, 10th Floor-City Hall, 710 North 20th Street, Birmingham, Alabama 35203, and is available for public examination and copying for costs of reproduction, Monday through Friday from 8:00 a.m. until 5:00 p.m. Please note the (ERR) includes an Environmental Monitoring Strategy for Unspecified sites.

No further environmental review of this project is proposed prior to the Request for Release of Federal funds.

Public Comments on FONSI

All interested agencies, groups, and persons disagreeing with this decision are invited to submit written comments on or before **August 10, 2015** to Mr. John Colòn, Director, Community Development Department, 10th Floor-City Hall, 710 North 20th Street, Birmingham, Alabama 35203. All comments will be considered and no administrative action will be taken prior to **August 10, 2015**.

NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS (NOI/RROF)

At least one day after the end of the public comment period for the FONSI, but not

before comments have been considered and resolved, the City will submit a Request for Release of Funds (RROF) and Certification to HUD. By so doing the City will certify that (1) it has performed the environmental review prescribed by HUD regulations, and (2) the City and William A. Bell, Sr., as Mayor and Certifying Officer, consent to accept the jurisdiction of the federal courts if an action is brought to enforce responsibilities in relation to the environmental review or resulting decision-making and action. By approving the RROF, HUD will satisfy its responsibilities under the National Environment Act, and will allow the City of Birmingham, Alabama to commit CDBG, HOME, CDBG-DR, and NSP funds.

Objection to Release of Funds

HUD will accept objections to its approval of the release of funds and the certification only if: (a) the certification was not in fact executed by the Certifying Officer; or (b) the applicant's Environmental Review Record for the project indicated omission of a required decision, finding, or step applicable to the project in the environmental review process. Objections must be prepared and submitted in accordance with the required procedure (24 CFR Part 58) and may be addressed to the HUD Environmental Clearance Officer, U.S. Department of Housing and Urban Development; Community Planning and Development; Medical Forum Building-Suite 900; 950 22nd Street, North; Birmingham, Alabama 35203-5301. Objections to the release of funds on any other basis will not be considered by HUD. Potential objectors should contact HUD to verify the actual last day of the objection period.

William A. Bell, Sr., Mayor
City of Birmingham, Alabama
Third Floor, City Hall
710 North 20th Street
Birmingham, Alabama 35203

